

13 August 1964

MEMORANDUM FOR: Mr. Warner

SUBJECT: Federal Employees Salary Reform Act of 1964

1. At 10:00 A.M. on 12 August, I hand-delivered to Mr. Robert Keller, GAO General Counsel, the DCI's letter of 11 August addressed to the Comptroller General, together with your classified letter similarly addressed of the same date.

2. By way of background for our authority to compensate certain senior Agency officials at levels above that provided for at GS-18, I explained that this had been done with the approval of the President, Bureau of the Budget, and the several Congressional subcommittees concerned with Agency matters. I stated further that we had obtained similar approval to place those Agency officers in levels IV and V of the '64 Act.

3. After perusing both documents, Keller indicated that they would agree with proposed course of action with respect to individuals compensated under the provisions of the Classification Act of 1949, as amended. He hastened to add, however, that he had serious doubts whether the DDCI's memorandum of 8 October 1962 would permit us to revert to a July date for those individuals to be compensated at the IV and V levels. He expressed the view that being limited to Class Act types, the 8 October memorandum could not be considered to encompass those paid under the Executive Pay Act of 1956. He took this occasion to call in Mr. Henry Barclay, who concurred in the reservations Keller had expressed. In the attempt to

forestall GAO mentioning the super GS types in the opinion we had requested, I pointed out that the information regarding that pay level had been provided in our classified letter. Keller observed this to be true but indicated that the exclusion should be apparent to us because that decision would be limited to those employees compensated on the basis of the 8 October directive.

4. Keller was also told that we had been working with Congressional staffs in drafting legislation that would correct what we considered to be a defect in the Reform Act of 1964. He agreed with the proposition that the staffs should know of our approach to GAO. I also expressed our concern for the possible effect that their published decision would have, not only on our efforts to obtain remedial legislation but more particularly on those of other agencies which did not have our authority. Keller's reaction was that while it was a GAO rule that opinions be published after five days, this could be broken and the publication delayed until after Congress adjourns.

5. As regards a decision date, Keller advised it would not be before Friday and in all probability not until the first part of next week. He indicated that there were a few points (not specified) that he wished to discuss with Barclay. FYI, that opinion will intentionally ignore our efforts to distinguish "which began" from "which begins."

OGC:RJB:hmm

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